

CONFIDENTIAL

NEGOTIATED TASK ORDER

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REGISTERED

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Gentlemen:

This Negotiated Task Order is entered into by and between the parties hereto, pursuant to statutory authority, as of ~~19 June 1964~~.

It is agreed that the Contractor shall provide the necessary material and services to perform the scope of work as set forth in the attached Schedule and shall comply with such other provisions thereof, as may be applicable.

The rights and obligations of the parties hereto shall be subject to and governed by this Task Order and the provisions of subject Basic Contract which are incorporated herein by reference and made a part hereof. To the extent of any inconsistency between said Basic Contract and this Task Order, the latter shall control.

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Costs in excess of this amount shall not be incurred without the prior written authorization of the Contracting Officer.

The fixed fee for the performance of this Task Order shall be ~~determined in accordance with the provisions of the attached Schedule.~~

The work to be performed under this Task Order shall be completed on or before ~~19 March 1963~~.

It is requested that you execute all copies of this document. Please retain one copy for your records and return the original and one copy to the undersigned within ten (10) days from the date of your receipt thereof.

EXECUTED:

Very truly yours

THE UNITED STATES OF AMERICA

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By _____

TITLE _____

Contracting Officer

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Defense Order rating DO-~~C-1~~
Certified under DMS Regulation No. 1

Certification of the assigned DO rating
on this contract shall be as follows:
U.S. Government Classified Contract No.

000 10 04

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(When Filled In)GROUP 1
Excluded from automatic
downgrading and
declassification

(SCHEDULE) COSECRETIAL	CONTRACT/TASK ORDER NO.	PAGE . OF PAGES 25X1
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SCOPE OF WORK:

The Contractor shall provide the necessary services and material to conduct a laser display feasibility study in accordance with the Contractor's Technical Proposal, dated 14 April 1964, which is incorporated by reference herein and made a part hereof.

DELIVERABLE REPORTS:

<u>Item No.</u>	<u>Description</u>	<u>Quantity</u>
1	Monthly Progress Reports, in the format required by the Technical Representative of the Contracting Officer.	5 copies each
2	Quarterly Progress Reports, in lieu of every third monthly progress report, in the format required by the Technical Representative of the Contracting Officer.	5 copies each
3	Final Report, in the format required by the Technical Representative of the Contracting Officer.	5 copies

COPIES:

Four (4) copies each of the reports deliverable under this Task Order shall be forwarded directly to the Technical Representative of the Contracting Officer:

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One (1) copy each of the reports deliverable under this Task Order shall be forwarded directly to the Contracting Officer.

ALLOWABLE COST, INCENTIVE FEE, AND PAYMENT:

The attached clause entitled "Allowable Cost, Incentive Fee, and Payment" shall be substituted for "Article 4 Allowable Cost, Fixed Fee and Payment" of the Basic Agreement for purposes of this Task Order No. 04.

(1) This Task Order provides for payment to the Contractor of a cost incentive based on the following criteria:

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In addition to the above cost incentive, this Task Order provides for payment to the Contractor of a performance incentive, to be determined by the Contracting Officer, based on the following criteria:

<u>Level of Performance</u>	<u>Incentive Payment</u>
Adequate	Cost Incentive Only
Excellent	Cost Incentive increased by One (1) Percentage Point
Superior	Cost Incentive increased by Two (2) Percentage Points

It is mutually agreed that upon completion of all work required under this Task Order and, after review of the results of the Contractor's efforts, the Contracting Officer, in consultation with the Technical Representative and the representatives of other ancillary functions, shall determine the Level of Performance of the Contractor under this Contract and shall so advise the Contractor in writing.

In no event shall the fee be greater than Twelve Percent (12%), nor less than Six Percent (6%) of the Target Cost; and within the limits such fee shall be subject to adjustment, by reason of the Contractor's level of performance as determined by the Contracting Officer, and the increase or decrease of total allowable cost, on account of payments under the assignment required by (f) (i) above, and claims excepted from the release required by (f) (ii) above.

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SECURITY

The work and reports under this Task Order are ~~UNCLASSIFIED~~. The association and interest of the Sponsoring Activity in this project are classified ~~CONFIDENTIAL~~.

IN THE EVENT ANY QUESTION MAY ARISE DURING THE PRELIMINARY PHASES OF THE WORK AND/OR RESEARCH CONCERNING THE SECURITY OF THE TECHNICAL ASPECTS, I.E., SECURITY CLASSIFICATION OF VARIOUS COMPONENT PARTS AND/OR RELATED REPORTS CONNECTED THERETO, THE TECHNICAL REPRESENTATIVE OF THE CONTRACTING OFFICER IS AUTHORIZED TO FURNISH SECURITY GUIDANCE DURING THIS INTERIM PERIOD.

THIS IS ONLY TO BE CONSIDERED AN AUTHORIZED EXPEDIENT AND EFFICIENT MEANS OF RESOLVING TECHNICAL SECURITY PROBLEMS BY THE TECHNICAL REPRESENTATIVE OF THE CONTRACTING OFFICER ON THE SPOT AND IS NOT TO BE CONSTRUED AS A WAIVER OF THE CONTRACTOR'S RESPONSIBILITY TO REQUEST FORMAL WRITTEN NOTIFICATION AND/OR AUTHORIZATION FROM THE CONTRACTING OFFICER PRIOR TO EFFECTING ANY CHANGES IN OVER-ALL SECURITY CLASSIFICATION OF THE CONTRACT, OR ITEM AND/OR REPORTS BEING DEVELOPED THEREUNDER OR THE CONTRACTOR'S SECURITY REQUIREMENTS, AS AGREED.

THE ASSOCIATION OF THE SPONSOR WITH THE WORK BEING PRODUCED UNDER THIS TASK ORDER IS CLASSIFIED ~~SECRET~~. THIS CLASSIFIED INFORMATION AND ANY OTHER CLASSIFIED INFORMATION WHICH MAY BE SPECIFIED IN THE FIRST PARAGRAPH OF THIS SECURITY ARTICLE, WILL BE DIVULGED ONLY ON A NEED-TO-KNOW BASIS AND THEN ONLY TO THOSE WHO HAVE BEEN AUTHORIZED IN WRITING BY THIS GOVERNMENT COMPONENT TO HAVE ACCESS TO CLASSIFIED INFORMATION.

CORRESPONDENCE ORIGINATED BY THE CONTRACTOR AND/OR OTHER DATA TO BE SUBMITTED HEREUNDER, THE CONTENTS OF WHICH CONTAIN CLASSIFIED INFORMATION OR REFER TO THE NUMBER OF THIS TASK ORDER AND/OR CONTRACT OR THE NAME AND/OR ADDRESS OF THE CONTRACTING OFFICER, SHALL BE STAMPED BY YOU WITH THE CLASSIFICATION OF ~~SECRET, CONFIDENTIAL~~.

REPORTS

A FINAL REPORT, MANUALS, DRAWINGS AND SIMILAR DATA AS MAY BE REQUIRED UNDER THIS TASK ORDER, SHALL BE SUBMITTED AT SUCH TIME AND IN SUCH FORMAT AS MAY BE SPECIFIED BY THE TECHNICAL REPRESENTATIVE OF THE CONTRACTING OFFICER OR AS MAY BE OTHERWISE SET FORTH IN THE SCOPE OF WORK ARTICLE OF THIS SCHEDULE. IN ADDITION, TECHNICAL PROGRESS REPORTS SHOULD BE PREPARED IN THE MANNER NORMALLY PRACTICED BY YOU AND SUBMITTED DIRECTLY TO THE CONTRACTING OFFICER'S PROJECT ENGINEER IN ACCORDANCE WITH THE ENGINEER'S INSTRUCTIONS. A COPY OF THE PROGRESS REPORT and the final report should be mailed directly to the Contracting Officer.

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CONFIDENTIAL**ALLOWABLE COST, INCENTIVE FEE, AND PAYMENT**

(a) (1) For the performance of this contract, the Government shall pay to the Contractor--

(1) the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with--

(A) Part 2 of Section XV of the Armed Services Procurement Regulation as in effect on the date of this contract; and

(B) the terms of this contract; and

(ii) a fee determined as provided in this contract.

(2) The target cost and target fee of this contract are set forth in the Schedule and shall be subject to adjustment in accordance with (b) and (i) below. As used throughout this contract the term--

(i) "target cost" means the estimated cost of this contract initially negotiated, adjusted in accordance with (b) below; and

(ii) "target fee" means the fee which was initially negotiated on the assumption that this contract would be performed for a cost equal to the estimated cost of this contract initially negotiated, adjusted in accordance with (b) below.

(b) Once each month (or at more frequent intervals, if approved by the Contracting Officer), the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost.

(c) Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of (d) below, make payment thereon as approved by the Contracting Officer. Payment of fee shall be made to the Contractor as specified in the Schedule; provided, however, that whenever in the opinion of the Contracting Officer, the Contractor's performance or cost then incurred indicates that target fee will not be achieved, payment of fee will be based on such lesser fee, not lower than the minimum fee, as the Contracting Officer may determine to be appropriate; and provided further, that after payment of eighty-five percent (85%) of the applicable fee, further payment on account of the fee shall be withheld until a reserve of either fifteen percent (15%) of the applicable fee, [redacted], whichever is less, shall 25X1 have been set aside. When the Contracting Officer has ordered that fee payments be reduced in accordance with the foregoing, he may increase the basis for payment to an amount not to exceed the target fee upon an affirmative showing by the Contractor that such action is justified and equitable.

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(d) At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of (f) below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fee, which has been withheld pursuant to (c) above or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

(f) The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to the Government to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Officer. Prior to final payment under this contract, the Contractor and each assignee under this contract whose assignment is in effect at the time of final payment under this contract shall execute and deliver--

- (i) an assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and
- (ii) a release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions--
 - (A) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;
 - (B) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that such claims are not known to

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the Contractor on the date of the execution of the release; and provided further, that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

- (C) claims for reimbursement of costs (other than expenses) of the Contractor by reason of his indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

Payments under the assignment and the claims excepted from the release shall be subject to adjustment by reason of the adjustment of fee in accordance with (i) below.

(g) Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor at his expense or without cost to the Government.

(h) When the work under this contract (including any supplies or services which are ordered separately under, or otherwise added to, this contract) is increased or decreased by contract modification, appropriate adjustments in the target cost and target fee shall be set forth in an amendment or supplemental agreement to this contract.

~~(i) The fee payable hereunder shall be the target fee increased by () cents for every dollar by which the total allowable cost is less than the target cost, or decreased by () cents for every dollar by which the total allowable cost exceeds the target cost. In no event shall the fee be greater than percent, nor less than percent, of the target cost; and within these limits such fee shall be subject to adjustment, by reason of increase or decrease of total allowable cost, on account of payments under the assignment required by (f) (ii) above, and claims excepted from the release required by (f) (ii) above.~~

(j) Compensation for supplies (including spare parts) and services which are to be furnished under this contract pursuant to a provisioning document or Government option shall be determined in accordance with the provisions of this clause notwithstanding any inconsistent provision in such provisioning document or Government option.

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~~ALLOWABLE COST, FIXED FEE, AND PAYMENT~~

(a) For the performance of this contract, the Government shall pay to the Contractor-- ~~DELETE~~

(1) the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with--

(A) Part 2 of Section XV of the Armed Services Procurement Regulation as in effect on the date of this contract; and

(B) the terms of this contract; and

(ii) such fixed fee, if any, as may be provided for in the Schedule.

(b) Once each month (or at more frequent intervals, if approved by the Contracting Officer), the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost.

(c) Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of (d) below, make payment thereon as approved by the Contracting Officer. Payment of the fixed fee, if any, shall be made to the Contractor as specified in the Schedule; provided, however, that after payment of eighty-five percent (85%) of the fixed fee set forth in the Schedule, further payment on account of the fixed fee shall be withheld until a reserve of either fifteen percent (15%) of the total fixed fee, or one hundred thousand dollars (\$100,000), whichever is less, shall have been set aside.

(d) At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of (f) below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fixed fee, which has been withheld pursuant to (c) above or otherwise not paid to the Contractor. ~~The~~

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